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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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16 July 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
29 June - 12 July 1962

Representatives and observers from about 30 underdeveloped countries, including almost all the major recipients of Bloc economic aid, are currently in Cairo to attend a 10-day economic conference on the problems of developing countries. In addition to subjects of interest to technical specialists, the agenda calls for discussion of trade and general economic problems, including the Common Market's impact on the less developed countries. That the conference also will have a strong anticolonial theme is suggested by the fact that 10 of the 11 sponsoring countries have together received almost \$3 billion in Bloc economic assistance; moreover, 10 of the 18 additional countries sending delegates to Cairo have received Bloc economic aid totaling another \$1 billion. It seems likely, however, that the conference will not degenerate into a forum for anti-Western speeches.

The Polish civil airline LOT apparently intends to expand its international air routes to include service to a number of new countries, including Iraq, Afghanistan, and India.

A Bolivian economic delegation in Prague reportedly has signed an agreement under which Czechoslovakia will construct an antimony smelter in Oruro. The Czechoslovaks will extend a credit of \$1.9 million for 8 years at 5 percent interest with repayment to be made in antimony beginning 4 years after the completion of Czechoslovak deliveries. Czechoslovak equipment and technical aid for the smelter are valued at \$1.2 million, and the remaining \$700,000 will cover deliveries of Czechoslovak goods to be sold in Bolivia in order to raise the money for local construction costs. The smelter, which is the Bloc's first developmental assistance to Bolivia, is expected to have considerable political impact.

On 19 June, Cyprus and Rumania concluded a 1-year trade agreement which projects a turnover of up to \$1.9 million for the current fiscal year. Under this agreement, which raises Cypriot trade with the Bloc to a planned \$14 million in fiscal year 1963, Rumania has

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agreed to import substantial quantities of the island's frequently unmarketable agricultural surpluses.

On 5 July, Poland and the UAR signed an agreement under which Poland will provide the UAR with industrial equipment and technical assistance. Although details have not yet been announced, the UAR had earlier reported that its delegation was going to Poland to discuss a \$20 million credit offer.

President Kwame Nkrumah reportedly has issued orders for a review of all Ghana's contracts with foreign countries. According to informants in Accra, the order was prompted, at least in part, by a misunderstanding over several Soviet contracts, although the current drain on Ghana's foreign exchange reserves would, in itself, seem to be sufficient cause for the issuance of such an order.

The unloading of between 10 and 18 T-54 medium tanks in Casablanca in late June represents the first shipment of Soviet tanks to Morocco. The cargo, which also included trucks and other materiel, was the USSR's second delivery under the arms agreement of 1962.

On 27 June, Nigeria announced the acceptance of 45 academic scholarships offered by the USSR last April. The desire and need for higher education throughout Nigeria are so great that the government's dominant party, even though reluctant to strengthen its ties with the USSR, could find no publicly acceptable basis for refusal.

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